

Our view on next week's key events

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Source: Shutterstock

US: Will more fiscal stimulus be needed after a tightening of containment measures?

It is a big week for US data given the release of the November jobs report and the ISM indices, but market sentiment will be more likely influenced by news on the timing of a vaccine and concerns about a near-term intensification of Covid containment measures in the wake of Thanksgiving gatherings. The number of cases was rising sharply before last week but holiday travel and socialising could see an acceleration that necessitates aggressive action to prevent healthcare systems buckling under the pressure of hospitalisations. Already we can see the jobs markets is suffering as curfews and restrictions kick in across more parts of the United States so the jobs report is already old news before it is even published – remember the data is collected the week of 12 November.

Consequently, we will be looking to see if there are any signs of movement on the fiscal side to provide support to an economy that is going to be experiencing more pain in the weeks ahead. Should politicians fail to step up, then expectations will build that the Federal Reserve will feel compelled to try and offer some support through extra liquidity injections and potentially more quantitative easing. Nonetheless, the Fed will again emphasise this is not going to generate

meaningful demand. It is more about trying to shore up confidence until the Covid vaccines are released.

Canada: Strong GDP and jobs data to come, but recovery is still a long way off

Canada's third quarter GDP is expected to show a robust rebound in excess of 45% annualised growth. Nonetheless this would still leave output nearly 5% below the level of the fourth quarter 2019. The jobs report should also show robust gains, but there would still be around 600,000 fewer people in work than February. As such, both reports will underline the point that there is still a long way to go in terms of recovery and unfortunately, we could see more bad news in the near term given rising Covid cases and the threat of more restrictions.

Eurozone: Inflation release and retail sales will further show the effect of the second lockdown

For the eurozone, the inflation rate for November will be key to watch as it will be the last important figure to come out ahead of the European Central Bank's December meeting. Not that it will sway the ECB much at this point of course, particularly as it's unlikely that the figure will move much from the October reading of -0.3%. Also interesting is whether retail sales have held up in October ahead of the November closures in some countries.

Developed Markets Economic Calendar

Country	Time Data/event	ING	Survey	Prev.
Sunday 29 November				
Japan	2350 Oct Retail trade (YoY%)	7.0	-	-8.7
	2350 Oct Industrial O/P Prelim (MoM/YoY%)	-1.2/-6.2	-	3.9/-8.7
Monday 30 November				
US	1445 Nov Chicago PMI	59.0		61.1
Japan	2330 Oct Unemployment Rate	3.1		3.0
Germany	1300 Nov CPI Prelim (MoM/YoY%)	-0.3/-0.3	-	0.1/-0.2
	1300 Nov HICP Prelim (MoM/YoY%)	-0.3/-0.5	-	0.0/-0.5
Italy	1000 Nov CPI (EU Norm) Prelim (MoM/YoY%)	-		0.6/-0.6
Spain	0800 Nov HICP Flash (YoY%)	-		-0.9
Canada	1330 Q3 Current Account C\$	-		-8.63
Switzerland	0730 Oct Retail Sales (YoY%)	-		0.3
Portugal	1100 Q3 GDP (QoQ/YoY%)	-/-	-	13.3/-5.7
Tuesday 1 December				
US	1500 Nov ISM Manufacturing PMI	57.0	57.8	59.3
Japan	0030 Nov Jibun Bank Manufacturing PMI	-		48.3
	2350 Nov Monetary base (JPY tr)	620.0	-	608.3
Germany	0855 Nov Markit/BME Manufacturing PMI	57.9		57.9
	- Nov unemployment rate (%)	6.3		6.2
France	0850 Nov Markit Manufacturing PMI	-		49.1
UK	0930 Nov Markit/CIPS Manufacturing PMI Final	55.2		55.2
Italy	0845 Nov Markit/IHS Manufacturing PMI	-		53.8
	0900 Q3 GDP Final (QoQ/YoY%)	-/-	-	16.1/-4.7
Spain	0815 Nov Manufacturing PMI	-		52.5
Canada	1330 Q3 GDP (QoQ%) Annualized	45.5	47.0	-38.7
	1430 Nov Markit Manufacturing PMI SA	55.0		55.5
Australia	0030 Q3 Current Account Balance SA	-		17.7
	0330 Dec RBA Cash Rate	0.1		0.1
New Zealand	2145 Q3 Terms of Trade (QoQ%)	-		2.5
Switzerland	0645 Q3 GDP (QoQ/YoY%)	-/-	-	-7.3/-8.3
	0830 Nov Manufacturing PMI	-		52.3
Netherlands	0800 Nov PMI - Manufacturing	-		50.4
Greece	0900 Nov PMI Manufacturing	-		48.7
Eurozone	0900 Nov Markit Manufacturing Final PMI	53.6		53.6
	1000 Nov HICP Flash (YoY%)	-0.3		-0.3
Wednesday 2 December				
US	1315 Nov ADP National Employment	-	500.0	365.0
	1900 FED issues the beige book on economic conditions			
Germany	0700 Oct Retail Sales (MoM/YoY%)	1.5/7.2	-	-2.2/6.5
Italy	0900 Oct Unemployment Rate	-		9.6
Australia	0030 Q3 Real GDP (QoQ/YoY%)	2.5/-4.4	-	-7.0/-6.3
	0000 RBA Governor Philip Lowe speaks			
Switzerland	0730 Nov CPI (MoM/YoY%)	-/-	-	0.0/-0.6
Eurozone	1000 Oct Unemployment Rate	8.4		8.3
Thursday 3 December				
US	1445 Nov Markit Composite Final PMI	-		57.9
	1445 Nov Markit Services PMI Final	-		57.7
	1500 Nov ISM Non-manufacturing PMI	55.8	56.4	56.6
Japan	0030 Nov Consumer Confidence Index	32.4		33.6
Germany	0855 Nov Markit Services PMI	-46.2		46.2
	0855 Nov Markit Composite Final PMI	52.0		52.0
France	0850 Nov Markit Services PMI	-		38.0
	0850 Nov Markit Comp PMI	-		39.9
UK	0700 Nov Reserve Assets Total	-		177702.46
	0930 Nov Markit/CIPS Services PMI Final	45.8		45.8
Italy	0845 Nov Markit/IHS Services PMI	-		46.7
Spain	0815 Nov Services PMI	-		41.4
Eurozone	0900 Nov Markit Services Final PMI	41.3		41.3
	0900 Nov Markit Composite Final PMI	45.1		45.1
	1000 Oct Retail Sales (MoM/YoY%)	-0.2/2.4	/	-2.0/2.2
Australia	0030 Oct Trade balance (A\$bn)	2.1		5.6
Friday 4 December				
US	1330 Nov Non-Farm Payrolls	540	500	638
	1330 Nov Private Payrolls	600	590	906
	1330 Nov Unemployment Rate	6.7	6.8	6.9
Germany	0700 Oct Industrial Orders (MoM%)	-0.4		0.5
UK	0930 Nov Markit/CIPS Cons PMI	-		53.1
Canada	1330 Nov Employment Change	70.0		83.6
	1330 Nov Unemployment Rate	8.6		8.9
	1330 Oct Trade Balance C\$	-		-3.25
Australia	0030 Oct Retail Sales (MoM%)	0.0		-1.1

Source: ING, Refinitiv

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Key events in EMEA and Latam next week

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Source: Shutterstock

✓ Hungary: Heavy week of data for retail, industry, and GDP

Next week's calendar for Hungary will be quite heavy, headlined by the first hard data for the fourth quarter. October will still show some growth in the retail sector as the new containment measures only came into effect in November. We expect the good series of industrial data to continue based on soft indicators and the order books, so industrial production could show a positive year-on-year figure. With the revised third quarter GDP data, we will know the details behind the rebound. Our bet is on services and industry.

✓ Russia: Uptick in CPI means the key rate will likely stay on hold for now

Russian CPI is likely to pick up from 4.0% year-on-year in October to at least 4.3% YoY in November due to higher global grain prices, recent rouble depreciation, and the lack of Black Friday promotions this year. This will mean a high likelihood of an unchanged key rate at 4.25% this December, but it does not mean a reversal in the Bank of Russia's overall dovish stance, as confirmed this week by Governor Elvira Nabiullina. Based on the temporary nature of the current CPI uptick and likely weakness in the Russian growth story in 2021 we continue to expect a small

reduction of 25-75 basis points in the key rate from the current level, depending on the global emerging market trends.

Czech Republic: Despite 3Q GDP accelerating, expect a 4Q decline from renewed lockdowns

We will get detailed 3Q GDP data next week in the Czech Republic. While the economy accelerated solidly by more than 6% quarter-on-quarter, according to the flash estimate, it will decline again in the last quarter. Next year's outlook is mixed; more positive news related to vaccination vs. the assumption that Covid restrictions will continue to weigh on growth in the first half of the year. The November PMI should remain above 50 points but lag behind its counterpart from Germany, and 3Q wage growth should accelerate by around 3.5% YoY in nominal terms (0.5% real terms) after a weak 2Q (0.5% YoY nominal, -2.5% YoY real) affected by coronavirus economic restrictions.

Turkey: 4Q growth to lose momentum and November inflation to tick upwards

As the 3Q data shows a continued strong recovery, we expect GDP growth in this period to be 4.5% YoY, though the pace of activity will likely lose momentum given moves by the Banking Regulation and Supervision Authority and the Central Bank of Turkey.

November inflation will likely push the annual figure up to 12.6% from 11.9% a month ago given the continuing impact of food prices and pass-through from currency volatility.

EMEALatam Economic Calendar

Country	Time Data/event	ING	Survey	Prev.
Monday 30 November				
Turkey	0700 Q3 GDP Quarterly (YoY%)	4.5		-9.9
	0700 Oct Trade Balance	-		-4.83
South Africa	0600 Oct M3 Money Supply (YoY%)	-		9.48
	1200 Oct Trade Balance (Incl. Region)	-		33.51
Hungary	0800 Sep Average Gross Wages (YoY%)	8.7	-	9.1
Tuesday 1 December				
Russia	0600 Nov Markit Manufacturing PMI	-		46.9
Turkey	0700 Nov Manufacturing PMI	-		53.9
Poland	0800 Nov Markit Manufacturing PMI	-		50.8
	0900 Nov CPI (MoM/YoY%)	-/-	-	0.1/3.0
Hungary	0800 Nov Manufacturing PMI	48.9	-	50.1
	0800 Q3 GDP (QoQ/YoY%)	11.3/-4.6	-	11.3/-4.6
	0800 Oct PPI (MoM/YoY%)	0.5/5.8	-	
Czech Rep	0830 Nov Markit PMI	52.5		51.9
	0800 Q3 GDP (QoQ/YoY%)	6.2/-5.8		6.2/-5.8
	1300 Budget balance (CZK bn)			-274.0
Wednesday 2 December				
Poland	- NBP Base Rate	-		0.1
Brazil	1200 Oct Industrial Output (YoY%)	5.5	-	3.4
Thursday 3 December				
Turkey	0700 Nov CPI (MoM%)	1.0		2.13
South Africa	0715 Nov Std Bank Whole Econ PMI	-		51.0
Brazil	1200 Q3 GDP (QoQ/YoY%)	9.4/-3.2	9.0/-3.5	-9.7/-11.4
Hungary	0800 Oct Retail Sales (YoY%)	-1.4	-	-2.0
Friday 4 December				
Russia	1600 Nov CPI (MoM/YoY%)	0.6/4.3	-	0.4/4.0
Hungary	0800 Oct Industrial Production (MoM/YoY%)	1.4/1.0	-	2.3/-1.0
Czech Rep	0800 3Q average real monthly wage (% YoY)	0.5	-	-2.5
	0830 November share of unemployed people	3.7	-	3.7

Source: ING, Refinitiv

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Asia week ahead: Australian and Indian central bank meetings

As two central bank meetings are likely to pass as non-events, the markets will be left to ponder a flood of economic activity data from around the region



Source: Shutterstock

➔ Central bank meetings

The Reserve Bank of Australia (RBA) reviews policy next week, Tuesday, 1 December. The central bank is missing important data though on which to base its policy decision – the country's 3Q20 GDP figure which will be out just a day later than the policy meeting. Whatever the 3Q GDP outcome (ING forecasts +2.5% quarter-on-quarter vs. -7% in 2Q), it's still history and doesn't reflect current trends. And, having cut the Cash Rate by 15 basis points to 0.10% at the November meeting, it's hard to see the RBA moving the policy rate again in less than a month.

Reinforcing this view further is the latest [labour report for October](#) with a 179,000-strong surge in employment, hinting at a faster economic recovery in the current quarter.

The Reserve Bank of India (RBI) meets on Friday, 4 December. The persistently weak growth and accelerating inflation dynamics have put this central bank in a jam, in our view. As covered in this space a week ago, India's 3Q GDP data out this Friday (27 November) will underscore the need for more policy support (ING's 3Q GDP forecast is -12% YoY). But the counter-argument is still-high CPI inflation. Inflation has stayed above the RBI's 6% policy limit in all but one month in the year through October (7.6% in October). As these divergent growth-inflation trends are likely to be stretched well into 2021, stable RBI rate policy throughout the next year seems to be the safest wager for now.

➔ Busy data pipeline

A typical market focus around the turn of the month is the Purchasing Manager Indices. China's PMIs are more market-sensitive than most other countries'. So, we will have November China PMI releases on Monday setting the tone for regional and global markets.

We think the recent pattern of services outperforming manufacturing activity in China was intact in November as weak global demand due to the second Covid-19 outbreak weighed on exports. Korea's November trade figures, the first in the region for this month, will bring more information about global demand, especially the electronics cycle, given some signs of tapering in the electronics upcycle lately.

Meanwhile, Korea and Japan's October manufacturing data will shape expectations for their GDP performance in the fourth quarter. And the October retail sales from Hong Kong and Singapore, together with a raft of November CPI inflation releases elsewhere, will inform about the private consumption recovery. The downside risk to regional economies has increased, however, with the recent surge in Covid-19 cases around the globe.

Asia Economic Calendar

Country	Time Data/event	ING	Survey	Prev.
Sunday 29 November				
South Korea	2300 Oct Industrial Output (MoM/YoY%)	0.4/3.3		5.4/8.0
Monday 30 November				
China	0100 Nov NBS Non-Manufacturing PMI	55.7		56.2
	0100 Nov NBS Manufacturing PMI	51.5		51.4
	0100 Nov Composite PMI	-		55.3
India	1200 Q2 GDP Quarterly (YoY%)	-		-23.9
Malaysia	0400 Oct Exports (%YoY)	-4.5		13.6
	0400 Oct Imports (%YoY)	-9.5		-3.6
	0400 Oct Trade balance (RM bn)	20.4		22.0
Thailand	0730 Oct Current Account (US\$bn)	1.1		1.31
South Korea	2300 Q3 GDP Growth (QoQ/YoY%)	-/-	-	1.9/-1.3
Tuesday 1 December				
China	0145 Nov Caixin Manufacturing PMI Final	53.7		53.6
India	0500 Nov IHS Markit Manufacturing PMI	-		58.9
Hong Kong	0830 Oct Retail Sales (YoY%)	-9.9		-12.9
Malaysia	0030 Nov IHS Markit Manufacturing PMI	-		48.5
Indonesia	0030 Nov IHS Markit PMI	-		47.8
	- Nov Inflation (YoY%)	1.5	-	1.44
Philippines	0030 Nov Manufacturing PMI SA	49.1		48.5
Taiwan	0030 Nov IHS Markit Manufacturing PMI	54		55.1
Thailand	0030 Nov Manufacturing PMI SA	-		50.8
South Korea	0000 Nov Exports (YoY%)	10.5		-3.8
	0000 Nov Imports (YoY%)	0.5		-5.6
	0000 Nov Trade Balance (US\$bn)	7.6		5.8
	0030 Nov IHS Markit Manufacturing PMI	51.5		51.2
	2300 Nov CPI (% YoY)	0.2		0.1
	2300 Nov CPI core (% YoY)	0.0		0.1
Wednesday 2 December				
Thursday 3 December				
China	0145 Nov Caixin Services PMI	-		56.8
India	0500 Nov IHS Markit Services PMI	-		54.1
Singapore	1300 Nov Manufacturing PMI	-		50.5
Thailand	0300 Nov Consumer Confidence Idx	-		50.9
South Korea	2300 Oct Current Account Bal NSA	7.6		10.21
Friday 4 December				
India	0615 Cash Reserve Ratio	3.00		3.00
	0615 Repo Rate	4.00		4.00
	0615 Reverse Repo Rate	3.35		3.35
Philippines	0100 Nov CPI (YoY%)	2.7	-	2.5
Singapore	0500 Oct Retail Sales (MoM/YoY%)	1.0/-8.3	-	-4.5/-10.8
Taiwan	0820 Nov Foreign Exchange Reserve	501.5		501.2
Thailand	- Nov CPI Inflation (YoY%)	-0.4		-0.5
	- Nov CPI Core Inflation (YoY%)	-		0.19

Source: ING, Refinitiv, *GMT

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